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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

September 2011 Grand Jury

UNITED STATES OF AMERICA, ) No. CR 11-  
Plaintiff, ) CR 11 00930  
v. ) I N D I C T M E N T  
DAVID ALMOG, ) [18 U.S.C. § 371: Conspiracy]  
Defendant. )

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all relevant times:

1. United Revenue Service, Inc. ("URS") was a tax preparation business, incorporated in the State of Nevada, with multiple locations throughout the United States.

2. URS had its headquarters in an office location in Newport Beach, California, located in the Central District of California. URS also had locations in Los Angeles, California; Santa Clara, California; San Diego, California; Seattle, Washington; Dallas, Texas; St. Louis, Missouri; Chicago, Illinois; Boston, Massachusetts; New York, New York; Bethesda,

1 Maryland; and Atlanta, Georgia.

2 3. Defendant DAVID ALMOG ("ALMOG") was a tax return  
3 preparer employed by URS. Defendant ALMOG began working for URS  
4 in or about 2001. As of at least 2006, defendant ALMOG was the  
5 branch manager of URS's New York office located in Manhattan and  
6 a supervisor of tax return preparers in URS's East Coast  
7 locations. Defendant ALMOG is an Israeli citizen and a United  
8 States Permanent Resident Alien.

9 4. R.S. was the Vice-President of URS from in or about  
10 2000 until in or about early 2006. R.S. worked out of the  
11 Newport Beach, California URS headquarters, located in the  
12 Central District of California.

13 5. Client A was a tax preparation client of URS, and more  
14 specifically, a client of defendant ALMOG. Client A's U.S.  
15 Individual Income Tax Returns, Forms 1040, were prepared by  
16 defendant ALMOG and R.S.

17 6. The Internal Revenue Service ("IRS") was an agency of  
18 the United States Department of Treasury responsible for  
19 administering and enforcing the tax laws of the United States and  
20 collecting the taxes owed to the Treasury of the United States.

21 7. United States citizens, resident aliens, and legal  
22 permanent residents of the United States were required to file an  
23 individual income tax return with the IRS reporting their  
24 worldwide income for each year if their gross income exceeded a  
25 certain amount.

26 8. The IRS required on Form 1040, Schedule B, Part III,  
27 Line 7a, that every taxpayer answer the following question by  
28

1 checking a "Yes" or "No" box: "At any time during [the calendar  
2 year], did you have an interest in or a signature or other  
3 authority over a financial account in a foreign country, such as  
4 a bank account, securities account, or other financial account?"  
5 If the answer to the questioned posed on Line 7a was "Yes," and  
6 other exceptions not relevant here did not apply, then Line 7b  
7 required the taxpayer to enter the name of the foreign country in  
8 which the financial account was located.

9 9. United States citizens, resident aliens, and legal  
10 permanent residents of the United States who had a financial  
11 interest in, or signature authority over, one or more financial  
12 accounts in a foreign country with an aggregate value of more  
13 than \$10,000 at any time during a particular year were required  
14 to file with the Department of the Treasury a Report of Foreign  
15 Bank and Financial Accounts on Form TD F 90-22.1 ("the FBAR").  
16 The FBAR for the applicable year was due by June 30 of the  
17 following year.

18 10. These introductory allegations are re-alleged in Count  
19 One of this Indictment.

COUNT ONE

[18 U.S.C. § 371]

A. OBJECT OF THE CONSPIRACY

11. From in or about May 2004, the exact date being unknown to the Grand Jury, and continuing thereafter up to at least on or about April 17, 2006, in the Central District of California, and elsewhere, defendant ALMOG, unindicted co-conspirator R.S., and others known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of a government agency, namely, the Internal Revenue Service of the United States Treasury Department, by deceitful and dishonest means in the ascertainment, computation, assessment, and collection of the revenue, namely, individual income taxes.

B. MANNER AND MEANS OF THE CONSPIRACY

12. The object of the conspiracy was carried out, and to be carried out, in substance, as follows:

a. Defendant ALMOG, unindicted co-conspirator R.S., and others known and unknown to the Grand Jury would transfer and facilitate the transfer of Client A's money to one or more business bank accounts in the United States at Wells Fargo Bank which were controlled by unindicted co-conspirator R.S. Those Wells Fargo accounts were held in the Central District of California.

b. Defendant ALMOG, unindicted co-conspirator R.S., and others known and unknown to the Grand Jury would incorporate

1 and cause to be incorporated a shell company called Katumba  
2 Capital, Inc., and would open a bank account in the name of  
3 Katumba Capital, Inc. at the Luxembourg branch of a large Israeli  
4 bank headquartered in Tel-Aviv, Israel (the "Israeli Bank-  
5 Luxembourg Branch"). The shell company established by defendant  
6 ALMOG, unindicted co-conspirator R.S., and others would have no  
7 legitimate business purpose. Instead, it would be created solely  
8 to act as the named account holder on a bank account at the  
9 Israeli Bank-Luxembourg Branch which would be used to house  
10 Client A's money transferred offshore from the Wells Fargo Bank  
11 accounts.

12 c. Defendant ALMOG, unindicted co-conspirator R.S.,  
13 and others known and unknown to the Grand Jury would transfer  
14 Client A's funds from the business accounts controlled by R.S.  
15 and located at the Wells Fargo Bank branch in the Central  
16 District of California into Client A's shell company account at  
17 the Israeli Bank-Luxembourg Branch. These transfers would be  
18 executed to create the appearance on paper of an "investment" in  
19 Client A's shell company. However, the "investment" would be  
20 fictitious, as Client A would retain control of the funds  
21 transferred offshore to the shell company account held at the  
22 Israeli Bank-Luxembourg Branch.

23 d. Defendant ALMOG, unindicted co-conspirator R.S.,  
24 and others would prepare false U.S. Individual Income Tax Returns  
25 on behalf of Client A that failed to disclose the Israeli-Bank-  
26 Luxembourg Branch account and that reported false losses based  
27 upon the fictitious "investment" in Client A's shell company.

1 C. OVERT ACTS

2 13. In furtherance of the conspiracy, and to accomplish its  
3 object, defendant ALMOG and unindicted co-conspirator R.S.,  
4 together with others known and unknown to the Grand Jury,  
5 committed and willfully caused others to commit the following  
6 overt acts, among others, in the Central District of California  
7 and elsewhere:

8 Overt Act No. 1: On or before July 22, 2004, defendant  
9 ALMOG directed and caused Client A to wire \$521,000 from Client  
10 A's E-Trade Securities account at Bank of New York to an account  
11 at Wells Fargo Bank in the name of Platinum Planning Group.

12 Overt Act No. 2: On or before December 1, 2004,  
13 defendant ALMOG directed and caused Client A to wire \$523,000  
14 from Client A's E-Trade Securities account at Bank of New York to  
15 an account at Wells Fargo Bank in the name of Platinum Planning  
16 Group.

17 Overt Act No. 3: On or before December 20, 2004,  
18 defendant ALMOG directed and caused Client A to issue a check in  
19 the amount of \$557,000 from his E-Trade Securities account at  
20 Bank of New York to an account at Wells Fargo Bank in the name of  
21 Platinum Planning Group.

22 Overt Act No. 4: In or about August 2004, defendant  
23 ALMOG opened and caused to be opened a bank account at the  
24 Israeli Bank-Luxembourg Branch in the name of Katumba Capital,  
25 Inc.

26 Overt Act No. 5: On or about August 8, 2004, defendant  
27 ALMOG sent a three-page fax from the New York URS office to  
28

1 unindicted co-conspirator R.S. in the Newport Beach, California  
2 URS office that confirmed the opening of the Katumba Capital,  
3 Inc. account and provided wiring instruction information needed  
4 to wire money to the Katumba Capital Inc. account held at the  
5 Israeli Bank-Luxembourg Branch.

6 Overt Act No. 6: On or about August 10, 2004,  
7 unindicted co-conspirator R.S. caused \$150,000 to be wired from  
8 Wells Fargo Bank account number xxxxxxxx738 to account number  
9 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
10 Bank-Luxembourg Branch.

11 Overt Act No. 7: On or about August 17, 2004,  
12 unindicted co-conspirator R.S. caused \$400,000 to be wired from  
13 Wells Fargo Bank account number xxxxxxxx738 to account number  
14 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
15 Bank-Luxembourg Branch.

16 Overt Act No. 8: On or about October 4, 2004,  
17 unindicted co-conspirator R.S. caused \$60,000 to be wired from  
18 Wells Fargo Bank account number xxxxxxxx738 to account number  
19 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
20 Bank-Luxembourg Branch.

21 Overt Act No. 9: On or about November 17, 2004,  
22 unindicted co-conspirator R.S. caused \$300,000 to be wired from  
23 Wells Fargo Bank account number xxxxxxxx738 to account number  
24 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
25 Bank-Luxembourg Branch.

26 Overt Act No. 10: On or about December 27, 2004,  
27 unindicted co-conspirator R.S. caused \$200,000 to be wired from  
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1 Wells Fargo Bank account number xxxxxxxx738 to account number  
2 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
3 Bank-Luxembourg Branch.

4 Overt Act No. 11: On or about January 12, 2005,  
5 unindicted co-conspirator R.S. caused \$160,000 to be wired from  
6 Wells Fargo Bank account number xxxxxxxx738 to account number  
7 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
8 Bank-Luxembourg Branch.

9 Overt Act No. 12: On or about January 31, 2005,  
10 unindicted co-conspirator R.S. caused \$220,000 to be wired from  
11 Wells Fargo Bank account number xxxxxxxx448 to account number  
12 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
13 Bank-Luxembourg Branch.

14 Overt Act No. 13: On or about February 8, 2005,  
15 unindicted co-conspirator R.S. caused \$220,000 to be wired from  
16 Wells Fargo Bank account number xxxxxxxx448 to account number  
17 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
18 Bank-Luxembourg Branch.

19 Overt Act No. 14: On or about April 14, 2005,  
20 unindicted co-conspirator R.S. caused \$200,000 to be wired from  
21 Wells Fargo Bank account number xxxxxxxx820 to account number  
22 xxx718 held in the name of Katumba Capital, Inc. at the Israeli  
23 Bank-Luxembourg Branch.

24 Overt Act No. 15: On or about August 9, 2005,  
25 defendant ALMOG filed and caused to be filed a false U.S.  
26 Individual Income Tax Return, Form 1040, on behalf of Client A  
27 for tax year 2004 that (i) in response to question 7(a), falsely  
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1 reported "No," instead of "Yes," regarding whether Client A had  
2 an interest in or a signature or other authority over a financial  
3 account in a foreign country, such as a bank account, securities  
4 account, or other financial account; (ii) failed to report the  
5 name of the foreign country where the bank account was located on  
6 Line 7b, namely, Luxembourg; and (iii) on Line 17, "Rental real  
7 estate, royalties, partnerships, S corporations, trusts, etc.  
8 Attach Schedule E," falsely claimed total losses in the amount of  
9 \$1,816,916 when losses in such a total amount were not incurred  
10 by Client A.

11 Overt Act No. 16: On or about April 17, 2006,  
12 defendant ALMOG filed and caused to be filed a false U.S.  
13 Individual Income Tax Return, Form 1040, for tax year 2005 on  
14 behalf of Client A that (i) in response question 7(a), falsely  
15 reported "No," instead of "Yes," regarding whether Client A had  
16 an interest in or a signature or other authority over a financial  
17 account in a foreign country, such as a bank account, securities

18 //

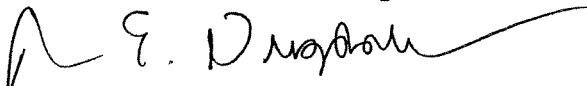
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1 account, or other financial account; and (ii) failed to report  
2 the name of the foreign country where the bank account was  
3 located on Line 7b, namely, Luxembourg.

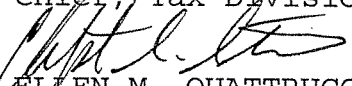
4 A TRUE BILL

5  
6  
7 Foreperson

8  
9 ANDRÉ BIROTTE JR.  
United States Attorney

10   
11 ROBERT E. DUGDALE  
Assistant United States Attorney  
12 Chief, Criminal Division

13   
14 SANDRA R. BROWN  
Assistant United States Attorney  
15 Chief, Tax Division

16   
17 ELLEN M. QUATTRUCCI  
CHRISTOPHER S. STRAUSS  
Trial Attorneys  
18 Department of Justice, Tax Division